

INITIATIVE PETITION

WE, THE UNDERSIGNED qualified voters of the state of South Dakota, petition that the following proposed law be submitted to the voters of the state of South Dakota at the general election on November 7, 2006, for their approval or rejection pursuant to the Constitution of the State of South Dakota.

The substance of the proposed law is as follows:  
Be it enacted by the people of South Dakota.

Section 1. There is hereby imposed a consumption fee on the retail sale of alcoholic beverages in the amount of one percent of the gross sales price of the alcoholic beverage.

Section 2. Definitions.  
Alcoholic beverage. Any beverage in any quantity containing alcohol in any amount sold for consumption on or off a premise that is licensed to sell alcoholic beverages by the State of South Dakota.

Department. The South Dakota Department of Revenue and Regulation

Gross sales price. The price charged by the licensee for an alcoholic beverage without inclusion of any state or municipal sales tax.

Section 3. The Department shall prescribe by rules and regulations, pursuant to SDCL 1-26, a method of reporting, paying , collecting and distributing the revenue received by the consumption fee. The Department may retain up to one percent of the revenue collected as an administration fee.

Section 4. The procedure for administration of the consumption fee shall be the same as found in SDCL 10-45-27 through 10-45-48.1, inclusive, and SDCL 10-59.

Section 5. Distribution. For counties that have not opted out of the consumption fee, the Department shall distribute the revenue to the various counties once each quarter for deposit in the counties' general fund. Each county's share shall be computed using the following factors: the percent of the total population of the state that resides in each county based upon the most recent United States census; and the percent of the true and full assessed value of the state associated with each county as determined by the Department. Each county shall receive a share calculated by multiplying the average of the two factors by the available revenue.

Section 6. If passed by a majority of voters this initiative shall become effective on the 1<sup>st</sup> day of January 2007.

Section 7. County Option. Each county by a majority vote of its Board of Commissioners may opt-out of the consumption fee for alcoholic beverages sold in the county. In the event of an opt-out vote by the Board, such opt-out shall become effective on January 1<sup>st</sup> of the following year. The Board may by majority vote elect to institute the consumption fee if they previously opted-out, and that election shall become effective on January 1<sup>st</sup> of the following year.

INSTRUCTIONS TO SIGNERS:

- 1. Signers of this petition must individually sign their names in the form in which they are registered to vote or as they usually sign their names.
- 2. Before the petition is filed, each signer or the circulator must add the residence address of the signer and the date of signing. If the signer is a resident of a second or third class municipality, a post office box may be used for the residence address.
- 3. Before the petition is filed, each signer or the circulator must print the name of the signer in the space provided and add the county of voter registration.
- 4. Abbreviations of common usage may be used. Ditto marks may not be used.
- 5. Failure to provide all information requested may invalidate the signature.

NAME		RESIDENCE	DATE/COUNTY
SIGN		STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
1	<i>Pennington County Commissioners</i>		
PRINT	<i>315 ST Joseph Street</i>	CITY OR TOWN	COUNTY OF REGISTRATION
SIGN		STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
2	<i>Baptist City SD 57701</i>	<i>Ron Buskerud</i>	
PRINT		CITY OR TOWN	COUNTY OF REGISTRATION
SIGN		STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER	DATE OF SIGNING
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PRINT		CITY OR TOWN	COUNTY OF REGISTRATION

Filed this 17<sup>th</sup> day of August 2005

*Chi Nelson*  
SECRETARY OF STATE

RECEIVED  
AUG 17 2005  
S.D. SEC. OF STATE